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[Doc. No. 18.]

REPORT

OF THE

JOINT COMMITTEE,

APPOINTED UNDER

RESOLUTIONS NO. 8,

OF THE

PRESENT SESSION, TO EXAMINE, COUNT AND BURN THE SIX PER
CENT DOLLAR BONDS OF THE STATE, AND TO EXAMINE
THE PROCEEDINGS AND DOCUMENTS OF THE
COMMISSIONER OF LOANS.

REPORT.

BY THE HOUSE OF DELEGATES,

March 6, 1841.

Read and 333 copies ordered to be printed.

The joint-committee of the two Houses of the General Assembly, appointed in pursuance of Resolution No. 8, of the present session, respectfully report, that in execution of the duties prescribed by the said Resolutions, they have received from the Treasurer of the Western Shore and receipted for, eleven hundred of the six per cent dollar bonds of the State for five thousand dollars each, (amounting to five and a half millions of dollars,) which were issued in virtue of Ch. 395 of the acts of December session, 1835, enacted in the adjourned May session 1836, and that they examined, counted, and in the presence of the said Treasurer, burned the said bonds.

Your committee further report, that, they also received from the said Treasurer and receipted for, certificates of stocks of the State, standing in his official name and to his credit on the Books of the State's Loan Office, in Baltimore, together amounting to one million, fifty-five thousand, seven hundred and thirty-three dollars and twenty-seven cents, and constituting so much of the State's Sinking Fund as, on the 1st December, 1840, consisted of stocks of the State—that it appeared to your committee, by an authentic manuscript certificate of the Commissioner of Loans, dated the 18th February, 1841, as well as by the several certificates aforesaid, that the said stocks are of the

several issues, amounts and denominations following, that is to say, of the State's

3 per c't stock, per Ch. 302 of 1837,		100,000 00
5 per c't stock, per Ch. 88 of 1821,	8,200 00	
per Ch. 150 of 1821,	9,837 47	
per Ch. 229 of 1826,	6,623 44	
per Ch. 252 of 1826,	33,100 00	
per Ch. 104 of 1827,	87,382 17	
per Ch. 105 of 1827,	147,173 70	
per Ch. 46 of 1830,	78,274 59	
per Ch. 33 of 1833,	28,393 77	
per Ch. 105 of 1833,	25,986 00	
per Ch. 239 of 1833,	24,100 00	
per Ch. 308 of 1834,	20,000 00	
per Ch. 395 of 1838,	16,631 13	
	<hr/>	485,702 27
6 per c't stock, per Ch. 241 of 1834,	432,000 00	
per Ch. 12 of 1839,	38,031 00	
	<hr/>	470,031 00
		<hr/>
		\$1,055,733 27

And these certificates too, your committee carefully inspected, counted and burned as aforesaid.

Your committee further report, that, by the third of the said Resolutions, they were authorised and directed,

1. "To proceed to the city of Baltimore, and there to examine the proceedings and documents of John S. Gittings, Esq. Commissioner of Loans of this State, from the beginning of his service to the first day of December, 1840."

2. To "take an accurate account of his receipts from all sources."

3. To take an accurate account of his "disbursements, as Commissioner of Loans."

4. "The balance remaining in his hands on the day and year aforesaid."

5. "The amount of the public debt on that day, as shewn by the books of the Loan office."

6. "Of the several issues thereof."

7. "That they examine, count and burn the residue of the said six per cent dollar bonds of the State, said to be now in his custody."

8. "And the five per cent sterling bonds, now in his custody, in pursuance of the first section of ch. 12, of the acts of December session, 1839."

9. "And the currency five per cent debt of the State, now in his custody, in pursuance of the third section of ch. 33, of the acts of the same session."

10. "And all the vouchers of his disbursements which they shall find to consist of the State's coupons, or other public securities."

In effectuating the purposes of the said Resolution, your committee deemed it expedient to extend their investigation to the first day of January, 1841, as the interest upon the debts of the State is payable, at the Loan office, either semi-annually, or quarterly, the semi-annual, or quarterly payment beginning with the year; so that in the subsequent annual settlement with the Commissioner of Loans by the joint-committee, contemplated by the Resolutions aforesaid, they will commence their investigations with the first of January, in each year.

The committee take pleasure in stating, that from a careful examination of the proceedings and documents of the present Commissioner of Loans, under the first head of their duties, as above enumerated, from the beginning of his service to the 1st day of January, 1841, they find his duties to have been discharged with fidelity and accuracy.

For an account of his "receipts," "disbursements," and "the balance remaining in his hands," on the 31st of December, 1840, included under the second, third, and fourth heads above enumerated, your committee refer to statements A. B. C. D. and E., (being abstracts from the books of the Loan office,) accompanying this report.

For the amount of the public debt on the first day of January, 1841, as exhibited by the books of the Loan office, and of the several issues thereof, as required by the fifth and sixth heads above enumerated, the committee refer to statement F. accompanying this report.

In virtue of the act of 1838, ch. 336, section 1, the Commissioner of Loans issued bonds of the State to the amount of seven hundred and twenty thousand pounds sterling, equal to three millions, two hundred thousand dollars, dated the first day of July, 1839, bearing an interest of five per cent per annum, payable semi-annually in London, to be exchanged with the Chesapeake and Ohio Canal Company, for currency bonds in the

hands of that company. Those sterling bonds were of the following denominations—viz:

327 Bonds of 500 pounds sterling each £163,500
2,226 of Bonds of 250 pounds sterling each 556,500

2,553 Bonds, £720,000

Nine hundred and twenty-three of the said sterling bonds, (150, of £500 each, the balance of £250 each,) were received and receipted for, by the President of the said canal company, at the following dates:

50	Bonds of	£500	each,	11th	June,	1839,
100	“	500	“	28	“	“
230	“	250	“	29	July	“
40	“	“	“	8	August	“
160	“	“	“	23	“	“
308	“	“	“	28	“	“
15	“	“	“	14	Nov.	“
20	“	“	“	20	Dec.	“

923 Bonds

The following of said sterling bonds were received by Alexander Brown & son, to be sent to London, and exchanged for six per cent currency bonds, at the risk of said canal company—that is to say:

177	Bonds of	£500	sterling	each,	} as per receipt of	
100	“	250	“	“		16th July 1839
250	“	“	“	“		24th “ “
736	“	“	“	“		17th August “

1263 received by A. Brown & sons.

923 received by President canal company.

2186 Bonds.

Under the 3d sec. of ch. 386. of 1838, the Commissioner of Loans issued 115 bonds of 250 pounds sterling each, dated 1st July 1839, to pay said canal company the sum of sixty thousand dollars advanced by said canal company to the Eastern Shore Rail Road company, and the further sum of sixty thousand dollars advanced to the Annapolis and Elk Ridge Rail company, amounting to the sum of \$120,000.

Under the first and third section of ch. 386, of 1838, there were issued for the Chesapeake and Ohio canal company, 2668

bonds of sterling five per cent. debt, of which 2186 were disposed of as before stated; 408 bonds were exchanged at the Loan office, for 6 per cent dollar bonds; 34 bonds remain in the Loan office to be exchanged for the \$35,000, of currency bonds now under injunction in the hands of the Commissioner of Loans; 33 bonds have been placed in the hands of trustees, by order of the canal company, to redeem the scrip issued by that company; and 7 bonds are retained by the Commissioner of Loans to be disposed of by the Legislature, according to their construction of the 3d sec. of ch. 386, of 1838, amounting in the aggregate to the whole issue of 2668 bonds.

The third section of the act aforesaid, directed the Commissioner of Loans to "issue such amount of said five per cent. sterling bonds, or certificates of stock hereby created, as shall be equivalent to the sum, or sums of money heretofore paid by said canal company to other internal improvement companies, under the resolution aforesaid."

The amount paid by the said canal company to other internal improvement companies, it will have been seen, was \$120,000; sixty thousand dollars of which stand charged on the books of the Treasury against the Eastern Shore Rail Road company, and sixty thousand dollars against the Annapolis and Elk Ridge Rail Road company.

The Commissioner of Loans has issued sterling bonds to the amount of £28,750—and in a note appended to the statement of the sterling debt, it is stated "the balance not issued of loan under 3d sec. of ch. 386, of 1838, for want of sterling bonds of that denomination, £50, which would make £28,800 sterling, equal to \$128,000. The reason assigned by the Commissioner of Loans for issuing more than the nominal amount of \$120,000—is, that the sterling bonds of the State were at a discount, and that it required \$128,000, to be "equivalent," at the *market* value, to \$120,000. The committee agree with the Treasurer of the Western Shore, in his construction of the act of 1838, ch, 386, that the Legislature did not contemplate disposing of the sterling bonds thereby created, at a rate below par, on the contrary they contemplate their being sold at a premium. The committee therefore think the commissioner of Loans was not authorised in virtue of said third section to issue more than twenty-seven thousand pounds sterling, equal to one hundred and twenty thousand dollars. Although one hundred and fifteen bonds, of two hundred and fifty pounds sterling each, have been issued by the Commissioner of Loans, seven of

these bonds are retained by the Commissioner in the Loan office, subject as was before remarked, to the order of the Legislature, upon their construction of the act of 1838—ch. 386, sec. 3. It remains for the General Assembly to direct the disposition of the said seven bonds.

In virtue of the act of 1838, ch. 386, sec. 1, the Commissioner of Loans issued seven hundred and twenty thousand pounds sterling of the State's bonds, or certificates of stock, (bearing the same rate of interest, and payable as the bonds issued to the Chesapeake and Ohio canal company,) equal to three millions, and two hundred thousand dollars, to be exchanged with the Baltimore and Ohio rail road company for three millions of dollars, of the State's six per cent currency bonds, then in the hands of that company; which sterling bonds were delivered to the President of the said Baltimore and Ohio rail road company, as appears by his receipt to the Commissioner of Loans, dated 26th July, 1839. Those bonds were of the following denominations, to wit:

240	Bonds of	£1,000,	sterling each,	£240,000
480	“	500	“ “	240,000
960	“	250	“ “	240,000

1680 Bonds,	£720,000
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In virtue of ch. 396, sec. 6, of act of 1838, the Commissioner of Loans issued six hundred and eighteen bonds of five per cent sterling debt, dated 1st July 1839, of five hundred pounds sterling each, which were delivered to the President of the Chesapeake and Ohio canal company upon the 28th June, and 15th July 1839, as appears by his receipt in the Land office. The sum of three hundred and seventy five pounds sterling of the sum authorised to be issued, by the said 6th sec. of ch. 396, of 1838, remain to be issued, the Commissioner of Loans having no sterling bonds of denominations suited to the amount.

Under authority conferred upon him by the fourth section of ch. 386, of the acts of 1838, the Treasurer of the Western Shore caused to be issued by the Commissioners of Loans, ninety thousand pounds sterling, in five per cent bonds of the State, dated 1st July 1839, the interest payable semi-annually in London. That amount was made up by 180 bonds of 500 pounds sterling each, equal to 400,000 dollars. In the summer of 1839, when the Hon. Louis McLane was about to visit Europe, these bonds were placed in his hands by the Commissioner of Loans, by order of the Treasurer of the Western Shore, to be sold in the

European market. The condition of the money market preventing a sale, they were left by Mr. McLane, in the hands of Messrs. Barings, Brothers, & Co. of London, and being unsaleable at the limit fixed, were all cancelled by the Messrs. Barings, under the order of the Treasurer of the Western Shore, and returned to the Loan office, in virtue of the 1st. sec. of ch 12, of the acts of Dec. session 1839. The *first coupon*, for the interest which would have been due 1st January 1840, if the bonds had been sold, was cut off from each bond and retained by the Messrs. Barings, as appears by their letter to the Commissioner of Loans—dated 31st October, 1840. No reason is assigned for this, in the letter of Messrs. Barings, and the committee recommend that the Commissioner of Loans be instructed to have these coupons transmitted to the Loan office.

The said one hundred and eighty bonds were all found cancelled, and were examined, counted and burned by the committee, as required by the eighth head of their duties, as before enumerated.

In pursuance of chapter 416, of the acts of 1838, the commissioner of loans issued one thousand of the State's five per cent. sterling bonds, of two hundred and twenty-five pounds sterling each, equal to one million of dollars, the interest payable semi-annually in London. These bonds bear date July 1st, 1839, and are redeemable at the pleasure of the State after the year 1865.

They were delivered to the President of the Susquehanna Canal Company and Tide Water Canal Company, as appears by his receipts of June 10th, 1839.

Thus much the committee have deemed it proper to state, in detail, in reference to "the several issues" of the State's sterling debt.

The committee examined all the transfers of stock by the said commissioner of loans, from his appointment, to the 31st December, 1840, and carefully compared the certificate book and transfer ledger, with the several cancelled certificates, for which others had been issued, and found that they all accurately corresponded. The said cancelled certificates were all burned by the committee.

The committee received from the said commissioner of loans four hundred and ninety-three of the six per cent. dollar bonds of the State, dated the first day of April, 1838, and of the

denomination of five thousand dollars each, amounting, in the whole, to the sum of two millions four hundred and sixty-five thousand dollars, which were issued in pursuance of chapter 395, of the acts of the adjourned May session of 1836, and which were all found to be cancelled, and which your committee *examined, counted and burned*, in the presence of the said commissioner of loans, and of each other, as required by the seventh head of their duties as above enumerated. The General Assembly will perceive that, adding to the eleven hundred six per cent. dollar bonds received, as aforesaid, from the Treasurer of the Western Shore, the four hundred and ninety-three six per cent. dollar bonds, received as aforesaid, from the said commissioner of loans, they will have fifteen hundred and ninety-three bonds of five thousand dollars each, amounting to the sum of seven millions nine hundred and sixty-five thousand dollars, leaving of the eight millions of 6 per cent. dollar bonds, issued in virtue of chapter 395, of the adjourned May session of 1836, the sum of thirty-five thousand dollars, or seven bonds, of five thousand dollars each, undisposed of. The commissioner of loans exhibited to your committee the remaining seven bonds, of five thousand dollars each, of the said issue, uncanceled, and stated that they were the subject of litigation between Jacob Albert and the Chesapeake and Ohio Canal Company, and remained in his hands under and by virtue of an injunction of the Chancellor, at the suit of the said canal company, against the said Jacob Albert.

The commissioner of loans has retained, in the loan office, thirty-four bonds of two hundred and fifty pounds sterling each, to be exchanged for the said remaining seven currency bonds, upon the termination of said suit. These seven bonds, when exchanged as aforesaid, will be cancelled by the commissioner of loans, and may be examined, counted and burned by some subsequent joint committee, which is required by the resolution aforesaid, to be hereafter annually appointed, as has been done with the balance of the eight millions of dollar bonds.

The certificate of one hundred and twenty thousand dollars of five per cent. debt of the State, issued by the commissioner of loans, in favor of the Treasurer of the Western Shore, and directed to be cancelled by the said Treasurer, and returned to the said commissioner, by the 3rd section of chapter 33, of 1839, was found cancelled in the possession of said commissioner of loans, and was by the committee examined and burned,

as required by the ninth head of their duties, as above enumerated.

The committee carefully compared all the vouchers of disbursements by the said commissioner of loans, which consisted of the State's *coupons*, or due-bills for interest upon the bonds of the State, with the entries upon the books of the loan office, and found them accurately to correspond with the said entries.

The said *coupons* were, by the committee, all examined, counted and burned, as required by the tenth head of the said enumeration of their duties.

A statement of the number of *coupons* redeemed, with the date of their redemption, which were counted and destroyed by the committee, as aforesaid, is hereto appended, marked statement G.

All which is respectfully submitted,

JOHN BEALL,

On behalf of the Senate.

I. D. JONES,

J. L. MARTIN,

On behalf of the House of Delegates.

STATEMENT A.

A Statement of Receipts and Disbursements in the Loan Office on account of interest &c., due at the Loan Office of the State from the 1st April, 1839, to 31st Dec. 1840, both inclusive.

Cash received of H W. Evans, late Commissioner of Loans,	\$11,492 44
“ received of Union Bank for Desk belonging to Loan Office,	75 00
“ received of the Treasurer of Western Shore from 1st April 1839, to 31st Dec. 1840,	586,767 34
	598,334 78
“ paid away for interest and expenses from the 1st day of April, 1839, to 31st Dec. 1840, inclusive.	586,232 53
Balance in Loan Office, 1st January 1841,	\$12,102 25

STATEMENT B.

Statement of Receipts and Disbursements on account of interest due and payable in London, on the Loans to the Chesapeake and Ohio Canal Company, and the Susquehanna and Tide Water Canal Company, remitted through the Loan Office.

Cash received of the Treasurer for interest due 1st July 1840,	134,118 75
“ received of Tide Water Canal Company do.	28,500 00
“ received of Treasurer for int. due 1st Jan. 1841,	130,286 25
“ received of Tide Water Canal Company, do.	25,250 00
	318,155 00
“ paid for Bills remitted in April 1840, 135,241 90	
“ paid for Coupons due 1st July 1840, redeemed here, 14,412 66	
“ paid for Bills remitted in Oct 1840, 142,933 35	
“ paid for Coupons due in July 1840, and January 1841, redeemed here, 22 892 75	
	315,531 66
Balance in Loan Office of interest due in London; being about the amount of interest on bonds still in Loan Office to redeem 6 per cent currency,	\$2,623 34

The Coupons paid above have been examined by the Committee of the Legislature and destroyed.

STATEMENT C.

Statement of Receipts and Disbursements on account of the issue of Stock to the Susquehanna Rail Road Company up to the 31st December, 1840.

By Stock sold bearing 5 per cent interest,	88,710 97
Stock sold bearing 6 per cent, interest,	518,251 85
	<u>606,962 82</u>
To draft of George Mackubin, Treas, paid, dated 30th Dec. 1839,	51,626 50
To do. do. do. 30th March 1840,	37,084 47
To do. do. do. 21st Aug. 1840,	394 269 89
To do. do. do. do.	94 398 69
	<u>577,379 55</u>
Stock sold,	606,962 82
Amount paid,	577,379 55
Balance on hand subject to the draft of the Treasurer, payable in the notes of the said Rail Road Co.	<u>\$29,583 27</u>

STATEMENT D.

Statement of Receipts and Disbursements on account of the issue of Stock to the Annapolis and Elkridge Rail Road Company, up to 31st December, 1840.

By Stock sold, bearing 6 per cent interest,	147,494 36
To Treasurer's check, dated 16, April '40,	5,448 60
do. do. March, '40	64,620 00
do. do. 29, June 1840,	20,723 26
do. do. 24, Sep. 1840,	13,993 82
To Stock issued in Treasurer's name,	30,000 00
	<u>134,785 68</u>
Balance in Loan Office, 31st Dec. 1841,	<u>\$12,708 68</u>

Of the above balance \$7,960 00 is payable in cash and
4,748 68 in notes of the A. & E. R. R. Co.

12,708 68

STATEMENT E.

Statement of the Balances in the Loan Office on the 31st December, 1840,—See Statements A. B. C. & D.

From Statement A.	12,102 25
From Statement B.	2 623 34
From Statement C.	29,583 27
From Statement D.	12,708 68
	<hr/>
	\$57 017 54

STATEMENT F.

Statement of Sterling Debt issued under ch. 386, 396, and 416 of 1838, bearing 5 per cent interest, payable semi-annually in London.

To Baltimore and Ohio Rail Road Company, per ch. 386,	\$3,200,000	
“ Chesapeake and Ohio Canal do. per ch. 386.	3,200,000	
“ Susquehanna and Tide Water Canal do. per ch. 416,	1,000,000	
“ Chesapeake and Ohio Canal do. per ch. 396,	1,375,000	
“ do. do 3rd section 1838, 386,	128,000	
	<hr/>	\$8,903.000
Of the above debt the commissioner of loans has retained in the loan office, to meet \$35,000 of 6 per cent currency.—34 bonds of 250£ each.		£8,500
Balance not issued of loan under ch. 396, of 1838, for want of bonds of proper denomination,		375
Retained owing to difference between commission and the Treasurer, of loan per sec. 3rd chapter 386, of 1838.		1,750
Balance not issued of loan under 3rd section ch. 386, of 1838 for want of bonds of that denomination.		50
		<hr/>
		£10,675

Statement of the Currency Debt of the State, as shewn by the books of the loan office, bearing 6 per cent 5 per cent, $4\frac{1}{2}$ and 3 per cent interest payable at the loan office, quarterly and semi-annually.

5 per cent, semi-annual loan of	1838, ch. 33	\$500 000 00
5 do. do. do.	" 1833, ch. 239.	125,000 00
6 do do do.	" 1836, " 350,	30,000 00
6 do. do. do.	" 1836, " 300.	20,000 00
5 do. indemnity do.	" 1835, " 184	14,661 74
5 do. quart. loan do.	" 1836, " 252	48,000 00
5 do. " do.	" 1821, " 88	30,000 00
5 do. " do.	" 1821, " 250,	27,947 30
5 do. " do.	" 1823, " 229.	30,000 00
5 do. " do.	" 1827, " 104,	256,189 00
5 do. " do.	" 1827, " 105.	262 500 00
5 do. " do.	" 1830, " 46,	350,311 00
5 do. " do.	" 1829, " 165,	10,000 00
5 do. " do.	" 1834, " 308,	20,000 00
5 do. " do.	" 1833, " 105,	125,000 00
5 do. " do.	" 1838, " 395,	88,710 97
3 do. " do.	" 1837, " 302	500,000 00
$4\frac{1}{2}$ do. " do.	" 1830, " 119,	100,000 00
6 do. " do.	" 1834, " 241	3,000,000 00
5 do. " do.	" 1835, " 226	} 9,960 00
	do. " 1836, " 34,	
6 do. supplement do.	" 1838, " 386.	147,494 36
6 do. " do.	" 1839, " 20	518,251 85
5 do. semi-annual do.	" 1839, " 333	} 45,068 40
Issue to pay the debts of the E. Shore. R. R. Co.		
Whole currency debt issued to 1st. Jan. 1841.		\$6,259 094 52
Sterling debt, as above.		8,903,000 00
		<hr/> \$15,162,094 52

STATEMENT G.

Showing the number of Coupons redeemed at the Loan Office, and the date of their redemption, from April 1st, 1839, to December 31st, 1840, inclusive.

1839.	No. Coupons.	1839.	No. Coupons.
April 1,	548	Dec. 12,	45
" 2,	17	" 18,	4
" 3,	6	1840.	
" 4,	121	January 1,	344
" 5,	494	" 2,	693
" 18,	6	" 3,	7
" 30,	50	" 4,	2
May 9,	60	" 8,	45
" 10,	464	" 9,	4
" 11,	13	" 11,	525
" 16,	129	" 11,	65
" 22,	2	" 21,	4
June 6,	537	February 3,	30
" 10,	1	March 4,	45
" 19,	5	" 11,	24
July, 1,	125	" 12,	100
" 2,	947	" 25,	20
" 6,	105	" 26,	106
" 8,	3	" 31,	161
" 12,	4	April 1,	610
" 26,	558	" 2,	395
" 29,	4	" 3,	209
August, 1,	34	" 6,	9
" 3,	3	" 11,	8
" 10,	116	" 15,	666
" 27,	49	May 5,	104
Sept. 14,	20	" 8,	45
" 20,	8	" 13,	6
October 1,	363	" 19,	392
" 2,	235	" 26,	23
" 3,	259	June 5,	365
" 4,	9	" 20,	10
" 7,	22	" 24,	16
" 14,	139	" 24,	13
" 9,	200	" 26,	60
" 16,	29	July 1,	1478
Nov. 1,	4	" 2,	20
" 14,	14	" 3,	8
" 28,	129	" 6,	20
Dec. 3,	125	" 10,	109

'	15,	200	October	6,	370
"	16,	9	"	7,	23
"	21,	244	"	20,	62
"	22,	54	"	22,	9
"	24,	5	"	24,	6
August	13,	8	November	5,	100
"	20,	2	"	16,	6
October	1,	744	December	3,	166
"	2,	530	"	17,	20
"	3,	207			
"	5,	4			
			Total		15433



